

SEATTLE
OFFICE OF HOUSING

APPLICATION
for
TRANSFER of OWNERSHIP

Application for Transfer of Ownership

This application is for applicants seeking to acquire ownership of existing Seattle Office of Housing (OH) funded affordable housing projects. Applicants seeking approval of a transfer of ownership only will be accepted anytime. Applicants seeking substantial additional funding will be required to submit more detailed information and will generally be required to submit funding requests as part of the regular OH Notice of Funding Availability (NOFA) schedule. Applicants interested in applying through the NOFA must contact Joanne LaTuchie at 615-0995 or Cindy Erickson at 684-0360 to schedule a pre-application meeting before OH will accept application.

Applicants seeking only a transfer of ownership of an OH funded project must complete this application and submit it to:

Seattle Office of Housing
700 5th Ave. Suite 5700
PO Box 94725
Seattle WA 98124-4725
Attn.: Cindy Erickson, Asset Manager

FORM 1
PROJECT SUMMARY

1. Eligible Applicant

Organization Name: _____

Address: _____

Unified Business Identifier: _____

Federal Tax I.D. Number: _____

Organization Type (check one):

<input type="checkbox"/>	Local government
<input type="checkbox"/>	Housing Authority
<input type="checkbox"/>	Nonprofit Community Based Organization
<input type="checkbox"/>	Indian Tribe
<input type="checkbox"/>	Regional Nonprofit Housing Assistance Organization
<input type="checkbox"/>	Statewide Nonprofit Housing Assistance Organization
<input type="checkbox"/>	Private Forprofit
<input type="checkbox"/>	Qualified Tenant Organization
<input type="checkbox"/>	Public Development Authority
<input type="checkbox"/>	Community Housing Development Organization (CHDO)
<input type="checkbox"/>	Community Based Development Organization (CBDO)

Executive Director Name: _____

Phone: _____ Fax Number: _____ E-mail: _____

Application Contact Name: _____

Organization: _____

Address: _____

Phone: _____ Fax Number: _____ E-mail: _____

2. Eligible Activity:

Transfer of Ownership of an existing OH funded Affordable Housing Project

Project Name: _____

Project Address or Location: _____

Project Tax Parcel Number(s), if available: _____

Current Owner: _____

3. Target Populations

Populations (check all that apply):

<input type="checkbox"/>	Families
<input type="checkbox"/>	Individuals
<input type="checkbox"/>	Special Needs

Length of Commitment to Target Population: _____

Number of Units/Beds per Special Needs Populations currently under existing ownership:

Units	Beds	Population
		Mentally Ill
		Developmentally Disabled
		Domestic Violence
		Elderly
		Homeless
		HIV/AIDS
		Alcohol/Substance Abuse
		Youth Under Age 21
		Other

Number of Units/Beds per Special Needs Populations proposed under new ownership:

Units	Beds	Population
		Mentally Ill
		Developmentally Disabled
		Domestic Violence
		Elderly
		Homeless
		HIV/AIDS
		Alcohol/Substance Abuse
		Youth Under Age 21
		Other

4. Funding Sources if transfer of ownership requires acquisition and/or rehab costs

Source	Committed/Conditional Funding	Total Funding
Housing Trust Fund (HTF)		
HTF Set-Aside (specify)		
Assumption of Debt		
1.Seattle Office of Housing		
2.		
3.		
New Debt		
Cost		

5. Signature of Authorized Official

Signature: _____ Title: _____

Name: _____ Date: _____

FORM 2 PROJECT DESCRIPTION

Provide a complete but succinct description of the project and include the following:

- Describe the property to be acquired.
If a plan for rehabilitation or new construction is involved with this transfer include a physical description of the project that includes scope of work, site plan, floor plan, new design elements and associated cost estimate.
Explain the goal accomplished by the rehab or construction project for the target population.
List any physical conditions that are being corrected through negotiation with the current owner and describe how the work will be accomplished, the schedule and who is responsible accomplishing the work and covering the cost. (see also Form 3)
- If existing building(s), give the date of construction and the dates of major rehabs.
- Describe either a continuation of the housing/program model or describe changes including a description of the type of household to be served, information such as the number of tenants, the size and description of the households, and known special characteristics of tenants (i.e., age, disabilities, special needs, etc.). Also include a description of the living arrangement (i.e., individual apartments, shared housing with on-site management, etc.).
- Describe the population to be served. Explain how your agency will provide property management and services responsive to the housing needs of the target population. (see also Form 4)
- Describe the location of the project and its surrounding neighborhood. Include a discussion of transportation options, nearby services, etc.
- If your organization leases or manages the building, what is your current situation in the building? Who holds your lease/contract and what is the current status of your contract?
- If your organization is requesting to be the new owner of an OH funded building describe the existing financing including a list of other lenders, remaining terms, conditions, details of regulatory agreements (tenant affordability restrictions, rent limits, reserve requirements etc.) Explain your organization's interest in taking ownership of the building. Describe how the new ownership and management structure will impact the current use and occupancy of the building.

FORM 3
ACQUISITION AND/OR REHABILITATION SCHEDULE

SCHEDULE		
<u>Task</u>	<u>Start to Completion Date</u>	<u>Responsible Party</u>

FORM 4
SUPPORT SERVICES FOR SPECIAL NEEDS PROJECTS

This section must be completed if special needs populations are identified in the Project Summary. If support services are not required skip to the next question.

- Describe your process of assessing the service needs of residents.
- What services will be available to residents on-site and who will provide these services?
Describe the provider's experience in offering this type of service.
- If services will be provided off-site, describe what services will be available and how residents will access those services (i.e., what modes of transportation will be used?).
- If support services funding has not been committed, outline the steps that will be taken and the timeframe needed to secure the necessary support.
If support services are committed to this project(s) provide the status of those contracts and the status of transferring those contracts if applicable. Provide an explanation of how those contracts will stay in place to serve the project and the intended population.
- For project serving homeless persons, explain how services proposed in this transfer will help increase self-sufficiency of the residents?

Attachments in this Tab:

- Provide letters from service organizations confirming they are aware of the project and are willing to provide the necessary support services and indicating the status of funding to pay service costs.
- For projects that will require licensing (federal, state or local) or some other form of approval provide letters or other proof of current licensing/approval or letters indicating ability to receive such licensing/approval. Examples include but are not limited to:

Housing for persons with developmental disabilities (letter from appropriate DSHS Regional Office confirming they are aware of and approve the proposed project).

Housing for persons with mental illness (letter from lead person of the Residential Services Network [RSN] confirming the project is consistent with the RSN's plan). Projects providing housing for youths under age 18 require a license from DSHS.

FORM 5
TRANSFER OF OWNERSHIP SOURCES AND USES

Applicants requesting to assume ownership of an OH funded building must complete this section.

Describe existing status of Operating Reserve and Replacement Reserve Accounts. Explain how reserve accounts will transfer to the new ownership and how accounts for each building will be established. Provide the current balances and projected balance upon transfer of ownership in table below.

Submit a 20-year schedule of replacement reserve deposits sufficient in meeting projected replacement expenditures based on a capital needs assessment of the building(s). See also Form 10.

Will there be any payment to the current owner over? What is the fund source for such payment?
Will there be an assumption of existing debt? Include information in Form 1 item 4.

Is the current owner sharing transaction costs? Specify.

SOURCES and USES BUDGET

Note: Add an extra page if more columns are needed. List funding sources separately.

SOURCES	AMOUNT
TOTAL	

USES	
Transaction Costs	
Closing, Title & Recording Costs	
Excise Tax	
Acquisition Costs	
Purchase Price	
Existing Debt	
Rehab	
Operating Reserve Deposits	
Replacement Reserve Deposits	
TOTAL	

FORM 6

PROPOSED RENT LEVELS

Available in Excel format on the Seattle Office of Housing website: See NOFA application Form 12
http://seattle.gov/housing/05-Applications/MultifamilyNOFA/2004_MFH_Nofa.doc

% of Median Income Served	Number of Units	Size (Number of Bedrooms)	Household Size (Number of Proposed Tenants/ Units)	Rental Subsidy* (If Applicable)	Proposed Tenant Paid Monthly Rent	Monthly Total Income For Units	Tenant Paid Monthly Utilities	Total Monthly Rent and Utilities	Annual Total Income For Units**
TOTALS									

*If the project is operating with a Section 8 project based HAP contract, include the Section 8 contract rent in this column and leave the “Proposed Tenant-Paid” column blank

If the above represents a change in the current use, please provide an explanation for the change.

**Annual total income for units must match Operating Pro Forma’s “Year 1 Gross Residential Income.”

Available in Excel format on the Seattle Office of Housing website: See NOFA application Form 13A

REVENUES

FORM 7B

DETAILS OF OPERATING BUDGET REVENUES AND EXPENSES

This form is available in Excel format on the Seattle Office of Housing website: See NOFA application Form 14

Operating Revenues

Source	Proposed	Conditional/Committed	Total
<i>Total Operating Revenues</i>			

Operating Expenses

(Indicate whether or not estimates are based on current operations. If not, on what basis is each estimate made?)

Heat	
Electric	
Water & Sewer	
Garbage Removal	
Contract Repairs	
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	
Replacement Reserve	
Operating Reserve	
Off-Site Management	
On-Site Management	
Insurance	
Accounting	
Marketing	
Real Estate Taxes	
Other (include identification of items and cost estimates for each)	

FORM 8
DETAILS OF SERVICE REVENUE & EXPENSES
 This form is also available in Excel format on the
 Seattle Office of Housing website: See NOFA application Form 14

Indicate each source of Service Revenue, the corresponding term of commitment and the revenue committed from that source in years one, five and ten.

Service Revenue	Term of Commitment	Year 1 Revenue	Year 5 Revenue	Year 10 Revenue
TOTALS		\$	\$	\$

Indicate each type of Service Expense and the amount of that expense for years one, five and ten.
 Include all services on the support services budget whether or not your organization will provide them.
 Include services on the operating pro-forma only if your organization provides the services.

Service Expenses	Year 1 Expense	Year 5 Expense	Year 10 Expense
TOTALS	\$	\$	\$

	Year 1	Year 5	Year 10
Total Revenues Less Expenses			

FORM 9
MANAGEMENT TEAM AND MANAGEMENT PLAN

Provide a management plan specific to your organization and management of this building.
Management plans should include the following:

- The occupancy standard (minimum and maximum number of persons for each type of unit) for the project. Such standard must comply with the City Housing Code.
- Rent collection policies and procedures for dealing with late payments of rent and damage to units. Specifically describe how you will assure income eligibility of the residents in this project.
- Description of management philosophy and experience serving proposed client population.
- Identification of key staff position(s) both on and off-site involved in managing the building including a description of staff responsibilities, previous experience, and program for staff training.
- Policies for making budget adjustments including expenditures of replacement and operating reserves.
- Description of long-term maintenance plan, including a schedule for both exterior and interior maintenance of the building.
- Description of building security and emergency plan.
- Description of the tenant screening and selection process.
- Plan describing how vacant units will be filled.
- Commitment to the City's Just Cause Eviction Ordinance.
- Referral processes from programs serving households whom are homeless.
- Affirmative Marketing Plan -- plan must include marketing methods designed to reach tenants who are persons of color and persons with disabilities.
Note: Because a substantial number of persons who are homeless are persons of color, minorities, non-English-speaking persons and persons with disabilities, it will be important for proposals serving people who are homeless to demonstrate sponsor understanding of the needs of persons form diverse backgrounds and cultures.
- Description of ongoing community education and involvement strategy, including steps that would be taken to address complaints or issues raised by tenants and neighbors about the building or tenants.
- Copy of leases or rental agreements to be used.
- Description of the process for determining rent increases, and for informing tenants of rent increases.

FORM 9-continued
MANAGEMENT TEAM AND MANAGEMENT PLAN

Management plans for special needs housing, transitional housing, or other housing requesting support services funding should also include the following information:

- Description of service support program to be provided to tenant households.
- Description of process for selecting/referring homeless households living in emergency shelters to the transitional housing project.
- Demonstration that adequate funding is available for the service support program component.
- Identification of key staff responsible for coordinating or providing supportive services.
- If different agencies are responsible for managing the housing units and the supportive services program, description of relationship between agencies and copies of written agreements between the agencies.
- Involvement of tenants in project governance.
- Description of performance or outcome measures.

FORM 10
CAPITAL NEEDS ASSESSMENT
and
SCHEDULE OF REPLACEMENT RESERVES

Provide a Capital Needs Assessment including:

A 20-year life cycle cost analysis for the replacement of major building components. This analysis should include the current life of the existing component and the expected life of the replacement. Include replacement cost estimates and a 20-year schedule of projected year-to-year replacements and the corresponding expenditures.

Provide a corresponding 20 year schedule of Replacement Reserves including annual deposits and expenditures for replacements demonstrating that the deposits to reserves is adequate to cover scheduled replacements over the next 20 years.

Note: Annual deposits required to meet capital needs should be reflected in Operating Proforma.

FORM 11
FINANCIAL CAPACITY OF APPLICANT

Describe the financial stability of the agency, including any recent audit findings and how your agency is resolving them.

Attachments in this Tab:

- Current certification from the Washington State Secretary of State that the applicant is registered as a nonprofit organization.
- Letter from IRS that applicant is tax-exempt nonprofit organization.
- Signed board resolution or a copy of board minutes authorizing submittal of an HTF application if such an application is planned. Nonprofit applicants must submit a board resolution authorizing submittal of the application to OH for transfer of ownership and/or loan funds. Resolutions should identify the type of transaction and/or amount of funds requested for the project and the individual(s) designated to act on behalf of the agency during the application review process. Resolutions should also indicate the Board's commitment to undertake the development, ownership, and management of the proposed project, the provision of any supportive services, and the commitment of any matching funds the applicant will provide. If more than one nonprofit will be involved in ownership or management, a Board-approved resolution from each nonprofit is required.
- List of current board members, addresses and phone numbers, occupations & board tenure. Current report from the licensing agency, if license is required.
- Complete financial audit for most recent prior 2 years.
- Non audited organization financials for period from last audit to Dec 31, 2003. See checklist below.

TABLE OF CONTENTS/CHECKLIST

	TOPIC/ QUESTION	FORM #	ATTACHMENT/ DOCUMENT	APPLICANT CHECKLIST
	Board Resolution	1	<input type="checkbox"/> Signed Board Resolution	
	Rehab	2	<input type="checkbox"/> Description of Scope of Work <input type="checkbox"/> Cost Estimate <input type="checkbox"/> Consultant/inspection Reports	
	Additional Project Funding Documentation	4 & 8	<input type="checkbox"/> Letters supporting proposal to assume existing debt. In lieu of letters describe status. <input type="checkbox"/> Letters supporting transfer of existing service subsidy and/or confirming proposed new sources of funding if applicable.	
	Capital Needs Assessment and Schedule of Reserves	10	<input type="checkbox"/> 20 year life cycle cost analysis <input type="checkbox"/> 20 year replacement schedule including estimated costs <input type="checkbox"/> 20 year reserves schedule	
	Financial Capacity	11	<input type="checkbox"/> Audited financial statements (2 years) If no Audit: <input type="checkbox"/> IRS 990s, note 2001 extension request if applicable <input type="checkbox"/> Most recent fiscal year financial statement and year to date financial statements	

OFFICE OF HOUSING FUNDING RESOURCE

If a project is seeking additional capital or Levy Operating and Maintenance (O&M) Program resources, applicants will need to submit additional exhibits on development budget and operating and maintenance. Generally applicants seeking significant new OH funds will be required to apply to regular OH NOFA, unless the timing for transfer would be jeopardized by the NOFA.

If the project is currently supported by Levy O&M Program and there is plan to have the contract transfer to the new ownership, please include a letter from the existing owner notifying OH of their desire to transfer the O&M contract to the new ownership upon closing. Upon transfer, OH will contact the new owner to complete the contract renewal process.

For more program information or details call Cindy Erickson at 684-0360.